

SENATE CONCURRENT RESOLUTION NO. 49

WHEREAS, the General Assembly favors a sound dollar that reflects economic fundamentals, but not one that is so excessively strong as to be overvalued; and

WHEREAS, the value of the U.S. dollar against other major currencies has risen thirty percent since 1997 and has reached the highest level in sixteen years despite the fact that economic fundamentals have moved in the opposite direction; and

WHEREAS, this rise in the value of the dollar is imposing the equivalent of a thirty percent added tariff on U.S. exports and permits imports to be sold at artificially low prices in the United States-with the effect of severely hampering the exports of American manufactured goods, artificially increasing imports above what they otherwise would be, and distorting the earnings of U.S. affiliates overseas; and

WHEREAS, since August 2000, U.S. manufactured goods exports fell one hundred forty billion dollars, which accounted for nearly forty percent of the decline in U.S. manufacturing production and employment and for the loss of more than five hundred thousand factory jobs; and

WHEREAS, a broad range of U.S. industries have seen a sharp decline in their ability to compete against imports since the dollar began its climb in 1997, with commensurate additional losses of American jobs; and

WHEREAS, both small and large companies are being affected, and after rising steadily throughout the 1990s, the proportion of small- and medium-sized companies exporting at least twenty-five percent of their production has now declined to the lowest level since the National Association of Manufacturers began surveying; and

WHEREAS, the trade and job losses related to the excessive strength of the dollar are decreasing support for free trade policies and leading to increased pressures for protectionism; and

WHEREAS, the value of the dollar has failed to move in the direction of an equilibrium that would end trade distortions, principally because of market imperfections such as a belief that governments will intervene to keep currency relationships at their present levels:

NOW THEREFORE BE IT RESOLVED that the members of the Missouri Senate, Ninety-Second General Assembly, Second Regular Session, the House of Representatives concurring therein, urge the President of the United States of America and Congress to consider actions that can be taken to enable the dollar and other major currencies to move toward their equilibrium rates by correcting market imperfections, countering foreign country currency manipulations, and seeking cooperation among major countries in taking coordinated actions as appropriate; and

BE IT FURTHER RESOLVED that the Secretary of the Missouri Senate be instructed to prepare properly inscribed copies of this resolution for the President of the United States and the members of the Missouri Congressional delegation.